(b) if so, whether it is also a fact that industries in rural areas and small indigent areas have either closed down or shifted to big cities; and

(c) if so, what action is being taken by Government to check this de-industrialisation of Indian villages which is taking place second time after the British era?

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES (SHRIMATI VASUNDHARA RAJE): (a) No, Sir.

(b) and (c) Does not arise.

**Dereservation of items for SSI Sector**

3407. SHRI P. PRABHAKAR REDDY: Will the Minister of SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether it is a fact that Government have taken a decision to prune list of items reserved for the Small Scale Industries Sectors;

(b) if so, the details thereof and the reasons therefor;

(c) whether it is a fact that the Indian Council of Small Industries have lodged a protest against the proposed move and if so, Government's reaction thereto; and

(d) what measures are proposed to be taken to protect the SSI sector which is facing stiff competition from the multinational companies as a result of Government policies?

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES (SHRIMATI VASUNDHARA RAJE): (a) No, Sir.

(b) Does not arise.

(c) Yes, Sir. The Indian Council of Small Industries vide its representation dated 27-7-2000, has, among other things, urged that the present reservation policy should be strengthened and made more effective and meaningful. The issue of reservation/dereservation of items for exclusive manufacture in the SSI sector is examined on continual basis by the Government and decisions in this respect are taken after considering all relevant aspects.

(d) The Government has put in place several measures to help the small scale sector become globally competitive. These include special focus on areas such as technology upgradation, infrastructural assistance through cluster approach, timely availability of credit, adoption of modern management practices, use of electronic infrastructure and other Information Technology applications, marketing and timely information dissemination, including sensitization of small industries to the emerging challenges of trade liberalization.

**Miserable condition of KVI**

3408. SHRI RAMDAS AGARWAL: Will the Minister of SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether Government are aware of the miserable condition of the Khadi and Village Industry artisans and reported decision of "Khadi Mission" to close down all KVI Institutions from August 1 to 8, 2000, under protest, as per news-item published inthe Hindustan Times dated 27th July, 2000;

(b) whether production of Khadi has been reduced to 50 per cent due to non-payment of rebate claims and other incentives as well as throwing out of employment of four lakh Khadi artisans;

(c) if so, the reasons therefor; and

(d) what remedial steps Government have taken so far on their Memorandum?

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES (SHRIMATI